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October 13, 2003

VIA ELECTRONIC FILING

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Portals
Washington, DC 20554

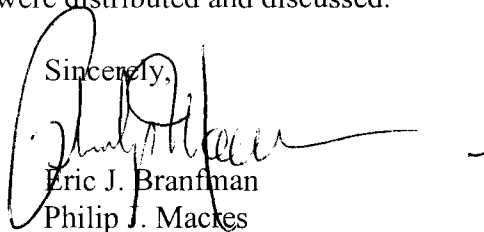
**Re: *Ex Parte*
CC Docket No. 03-167**

Dear Secretary Dortch:

Pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, this will provide notice that on October 10, 2003, the undersigned, on behalf of Globalcom, Inc. ("Globalcom") met with Commissioner Martin and Daniel Gonzalez. During the meetings, we discussed pricing issues associated with SBC-Illinois's and SBC-Wisconsin's 271 Application and presented the views set forth in the *ex parte* letters Globalcom filed in this docket on September 12, 2003 and October 2, 2003.

In short, Globalcom explained that SBC-Illinois's proposal to assess a total of \$932.06 in nonrecurring charges ("NRCs") for a DS1 EEL loop and transport combination, uncollocated, in Illinois is unreasonable under TELRIC. In addition, Globalcom explained that SBC-Wisconsin's total of \$2,295.81 in NRCs for the same combination in Wisconsin is excessive when compared with the total NRCs SBC assesses for that combination in other SBC 271 approved states. In making this presentation, the attached rate comparisons were distributed and discussed.

Sincerely,



Eric J. Branfman
Philip J. Mackes

Counsel for Globalcom, Inc.

Attachments

cc:

Chairman Powell, FCC
Commissioner Abernathy, FCC
Commissioner Adelstein, FCC
Commissioner Copps, FCC
Commissioner Martin, FCC
Scott Bergmann, FCC
Daniel Gonzalez, FCC
Jessica Rosenworcel, FCC
Matthew Brill, FCC
William Maher, FCC
Deena Shelter, FCC
Douglas Galbi, FCC
Robert Tanner, FCC
Jennifer McKee, FCC
Pamela Arluk, FCC
Janice Myles, FCC
Gavin McCarty, Globalcom
Kevin Walker, SBC (all via e-mail)

**DIFFERENCE BETWEEN SBC'S DS1 UNCOLLOCATED EEL NRCS IN
271 APPROVED STATES AND
SBC-IL'S PROPOSED RATE OF \$932.06**

| SBC 271 Approved States | Total DS1 EEL NRCS¹ | Diff. from \$932.06 SBC Proposed NRC |
|---|---|---|
| <u>271 Benchmark States:</u> | | |
| California | \$350.22 | \$581.84 |
| Texas | \$437.67 | \$494.39 |
| <u>Other 271 Approved States:</u> | | |
| Arkansas | \$521.02 | \$411.04 |
| Kansas | \$521.02 | \$411.04 |
| Missouri | \$778.41 | \$153.65 |
| Nevada | \$344.75 | \$587.31 |
| Oklahoma | \$624.81 | \$307.25 |
| Average ² | \$511.13 | \$420.93 |
| Michigan | \$1,052.68 | (\$117.62) |

¹ NRCs are taken from SBC's Reply Comments in Docket 03-167, Reply Affidavit of W. Karl Wardin, Attachment B, at 2 that were filed with the FCC on August 29, 2003.

² Average does not include Michigan.

**DIFFERENCE BETWEEN SBC'S DS1 UNCOLLOCATED EEL NRCS IN
271 APPROVED STATES AND
SBC-WI'S RATE OF \$2,295.81**

| SBC 271 Approved States | Total DS1 EEL NRCS³ | Diff. from \$2,295.81 SBC-WI NRCS |
|---------------------------------------|---|--|
| <u>271 Benchmark States:</u> | | |
| California | \$350.22 | \$1,945.59 |
| Texas | \$437.67 | \$1,858.14 |
| <u>Other 271 Approved States:</u> | | |
| Arkansas | \$521.02 | \$1,774.79 |
| Kansas | \$521.02 | \$1,774.79 |
| Missouri | \$778.41 | \$1,517.40 |
| Nevada | \$344.75 | \$1,951.06 |
| Oklahoma | \$624.81 | \$1,671.00 |
| Average ⁴ | \$511.13 | \$1,784.68 |
| Michigan | \$1,052.68 | \$1,243.13 |

³ NRCS are taken from SBC's Reply Comments in Docket 03-167, Reply Affidavit of W. Karl Wardin, Attachment B, at 2 that were filed with the FCC on August 29, 2003.

⁴ Average does not include Michigan.

DS1 NON-COLLOCATED EEL

| State | Recurring | | | | | | Non-Recurring | | | | | |
|------------------------|---------------------------|---------------------------|-------------------------|---------------------|----------------------|------------------|---------------------------|--------------------|---------------------|----------------------|----------------------------------|--------------|
| | 4-Wire Digital Loop | DS1 Interoffice Transport | | Cross Connect(s) | Entrance Facility | Monthly Total | 4-Wire Digital Loop | DS1 Interoffice | Cross Connect(s) | Entrance Facility | Service Order/ Administrative | NRC Total |
| | | Fixed/ Termination(s) | First Mile/ Per Mile | | | | | | | | | |
| Arkansas | \$ 64.78 | \$ 40.78 | \$ 0.32 | \$ 14.24 | \$ 75.81 | \$ 195.93 | \$ 68.40 | \$ 136.65 | \$ 147.76 | \$ 165.86 | \$ 2.35 | \$ 521.02 |
| California | \$ 89.68 | \$ 32.15 | \$ 1.87 | N/A | \$ 152.57 | \$ 276.27 | \$ 128.05 | \$ 105.17 | NA | \$ 114.54 | \$ 2.46 | \$ 350.22 |
| Connecticut | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Illinois ¹ | \$ 73.46 | \$ 34.70 | \$ 1.88 | \$ 0.86 | \$ 73.46 | \$ 184.36 | \$ 518.09 | \$ 632.71 | NA | \$ 585.51 | \$ 549.54 | \$ 2,285.85 |
| Indiana ² | \$ 38.48 | \$ 22.20 | \$ 1.65 | \$ 0.72 | \$ 38.48 | \$ 101.53 | \$ 29.33 | \$ 527.99 | NA | \$ 458.62 | \$ 337.04 | \$ 1,352.98 |
| Kansas | \$ 64.78 | \$ 40.78 | \$ 0.32 | \$ 14.24 | \$ 75.81 | \$ 195.93 | \$ 68.40 | \$ 136.65 | \$ 147.76 | \$ 165.86 | \$ 2.35 | \$ 521.02 |
| Michigan | \$ 34.66 | \$ 20.12 | \$ 0.36 | \$ 0.54 | \$ 34.66 | \$ 90.34 | \$ 109.42 | \$ 373.58 | NA | \$ 284.20 | \$ 285.48 | \$ 1,052.68 |
| Missouri | \$ 91.06 | NA | \$ 46.85 | \$ 29.02 | \$ 70.25 | \$ 237.18 | \$ 102.47 | \$ 174.43 | \$ 238.20 | \$ 260.39 | \$ 2.92 | \$ 778.41 |
| Nevada | \$ 16.48 | \$ 32.32 | \$ 1.84 | NA | \$ 85.70 | \$ 136.34 | \$ 125.94 | \$ 103.43 | NA | \$ 112.64 | \$ 2.74 | \$ 344.75 |
| Ohio ³ | \$ 66.45 | \$ 29.58 | \$ 1.64 | \$ 0.80 | \$ 66.45 | \$ 164.92 | \$ 30.61 | \$ 624.17 | NA | \$ 512.19 | \$ 410.32 | \$ 1,577.29 |
| Oklahoma | \$ 121.15 | \$ 78.09 | \$ 2.24 | \$ 17.80 | \$ 94.82 | \$ 314.10 | \$ 107.37 | \$ 147.19 | \$ 152.56 | \$ 214.36 | \$ 3.33 | \$ 624.81 |
| Texas | \$ 76.22 | \$ 38.15 | \$ 0.35 | \$ 15.02 | \$ 76.22 | \$ 205.96 | \$ 73.25 | \$ 174.43 | \$ 114.16 | \$ 73.25 | \$ 2.58 | \$ 437.67 |
| Wisconsin ⁴ | \$ 59.91 | \$ 36.98 | \$ 2.19 | \$ 1.04 | \$ 59.91 | \$ 160.03 | \$ 694.61 | \$ 543.46 | NA | \$ 516.53 | \$ 541.21 | \$ 2,295.81 |

Assumptions:

- Non-collocated
- 4-Wire Digital Loop connected by SBC to DS1 Unbundled Dedicated Interoffice Transport connected to DS1 Entrance Facility
- Urban Zone
- 1 mile circuit
- Includes applicable connection and disconnection non-recurring charges
- For display purposes, similar charges have been added together and grouped into the general categories listed on the chart.

Notes

1. In Illinois, the recurring rates for an EEL four-wire DS1 digital loop to DS1 dedicated transport combinations are assessed by charging the recurring rate for each UNE that comprises the EEL combination. The applicable recurring and nonrecurring rates for this EEL are tariffed in ILL. C.C. No. 20, Part 19 Section 20 (App. M, Tab 1). Tariff ILL. C.C. No. 20, Part 19 Section 20 references recurring rates found in ILL. C.C. No. 20, Part 19 Sections 2 and 12 (App. M, Tab 1). The applicable recurring rates are permanent rates established in the Second Interim Order, *Investigation Into Forward Looking Cost Studies and Rates of Ameritech Illinois for Interconnection, Network Elements, Transports and Termination of Traffic*, ICC Docket Nos. 98-0486/0569 Consolidated (Feb. 17, 1998) (App. M, Tab 19). The Illinois Commerce Commission (“ICC”) approved interim nonrecurring charges (“NRCs”) for EEL combinations as the sum of the total nonrecurring rates for the UNEs that comprise the EEL combination. See Order on Reopening, *Illinois Commerce Commission On Its Own Motion, Investigation into the Compliance of Illinois Bell Telephone Company with the Order in Docket 96-0486/0569 Consolidated Regarding the Filing of Tariffs and the Accompanying Cost Studies for Interconnection, Unbundled Network Elements and Local Transport and Termination and Regarding End to End Bundling Issues*, Docket No. 98-0396 (ICC Apr. 30, 2002) (App. M, Tab 76). The ICC made the rates subject to true-up in ICC Docket 01-0662. Order on Investigation, *Illinois Commerce Commission on its Own Motion, Investigation Concerning Illinois Bell Telephone Company’s Compliance with Section 271 of the Telecommunications Act of 1996*, Docket No. 01-0662, (ICC May 13, 2003) (App. C-IL, Tab 135).
2. The Indiana Utility Regulatory Commission (“IURC”) has not required Indiana Bell to provide an EEL four-wire DS1 digital loop to DS1 dedicated transport combination. Accordingly, this combination is not currently included in Indiana Bell’s tariff. If such a combination were to be required, the rates for each UNE that comprises the EEL combination would apply. The recurring and nonrecurring rate elements applicable to this EEL can be found in Indiana Bell’s tariff IURC No. 20, Part 19 Section 22 (App. M, Tab 2). Tariff IURC No. 20, Part 19 Section 22 references recurring and nonrecurring rates found in IURC No. 20, Part 19 Sections 2 and 12 (App. M, Tab 2).

Both the recurring and nonrecurring rates for this EEL are permanent in Indiana. The IURC set the recurring and nonrecurring rate for these elements based on a review of underlying costs in Cause No. 40611. See Order on UNE Tariff, *In the Matter of the Commission Investigation and Generic Proceeding on Ameritech Indiana’s Rates for Interconnection, Service, Unbundled Elements, and Transport and Termination Under the Telecommunications Act of 1996 and Related Indiana Statutes*, IURC Cause No. 40611 (Jan. 18, 2001) (App. D-IN, Tab 8).

3. In Ohio, the recurring and nonrecurring rate elements for an EEL four-wire DS1 digital loop to DS1 dedicated transport combination can be found in the price list from AT&T’s interconnection agreement, which is Attachment B to the Affidavit of Daniel R. McKenzie (App. A, Tab 32). See pages 1, 2, and 7 through 9 of Attachment B to Mr. McKenzie’s Affidavit for the specific recurring and nonrecurring charges for each element.

All recurring and nonrecurring rates for this EEL were examined and approved by the Public Utilities Commission of Ohio in Case 96-922-TP-UNC. See Finding and Order, *In the Matter of the Review of Ameritech Ohio’s Economic Costs for Interconnection, Unbundled Network Elements, and Reciprocal Compensation for Transport and Termination of Local Telecommunications Traffic*, PUCO Case No. 96-922-TP-UNC (Nov. 24, 1998). These rates reflect the reduction that was implemented effective June 24, 2002 to reflect the conclusion of the ordered three year amortization period for non-volume sensitive costs.

4. In Wisconsin, the recurring and nonrecurring rate elements for an EEL four-wire DS1 digital loop to DS1 dedicated transport combination can be found in Wisconsin Bell’s Tariff P.S.C. of W. Tariff 20, Part 19 Section 22 (App. M, Tab 4). Tariff P.S.C. of W. 20, Part 19 Section 22 references recurring and nonrecurring rates found in P.S.C. of W. 20, Part 19 Sections 2 and 12 (App. M, Tab 4). For a detailed description of the development of these recurring and nonrecurring rates, please see the Reply Affidavit of Scott T. VanderSanden (Reply App., Tab 12).